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Sen. George introduces legislation to regulate sweepstakes

Lansing – Sen. Tom George, R-Texas Twp., introduced Thursday legislation aimed at regulating sweepstakes solicitations and awarding of prizes.

George's legislation creates the Prize and Sweepstakes Regulation Act to regulate the notification and awarding of prizes and to establish penalties for violations of this act.

"Michigan residents, especially senior citizens, are being taken advantage of by misleading and false sweepstakes claims," George said. "This legislation will help us control the industry and prosecute illegal activities."

The bill would:

- Require sweepstakes solicitors and sponsors to provide the official rules to individuals solicited to enter;
- Prohibit solicitors and sponsors from requiring a person to pay anything in order to obtain a prize;
- Prohibit solicitors and sponsors from distributing a prize notice that leads individuals to believe that the notice originated from a government agency, public utility, insurance company, law firm, consumer reporting agency or debt collector;
- Require sales solicitations to contain a clear and conspicuous statement that no purchase is necessary to enter the sweepstakes;
- Prohibit sales solicitations from indicating a person was a winner unless that were true;
- Require a prize be awarded within one year after notification of winning; and
- Provide for investigations and civil or criminal penalties for violations.

A May 1998 study conducted jointly by the American Association for Retired Persons and the Michigan Attorney General, called "Senior Sting," monitored the mail of senior citizens showing them to be the most heavily targeted. In a 30 day period, 20 percent of the 1,766 solicitations received by 106 household were for sweepstakes entries, compared to less than 15 percent for credit cards and other types of solicitations.

"It is time that we protect the consumers in this state, especially our seniors, who are targets of these unethical practices," George said. "The practices of solicitors have become increasingly unscrupulous and predatory. Many prize notifications have hidden charges often buried so deep in the text that no reasonable person could be expected to find it and recognize it for the sham it is."

Senate Bill 1114 now goes to the Senate Committee on Labor and Economic Development for consideration.

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